

CHAPTER 4

FUNCTIONAL AREA SERVICE DELIVERY REPORTING

4.1 FINANCE DEPARTMENT – NKPA - FINANCIAL VIABILITY

The aim of Finance Department is to provide support to the departments and the Municipality as a whole and has the following sections:

- Billing
- Credit control and debt collection
- Payments and financing
- Budgeting, Reporting and Compliance monitoring

PERFORMANCE HIGHLIGHTS OF 2009/2010

Billing

The section has been able through the successful migration from old to new financial system to produce reporting information that has improved the presentation of deep seated problems of debtors thus enabling the focused decision by authorities. Data cleansing had been the main focus that will support the fight against non-payment of services.

Credit Control and Debt Collection

As per the adoption of the revenue enhancement strategy, there was a moratorium on full implementation of the credit control activities to allow the data cleansing process. Incentives to induce debtors to settle their accounts were introduced. Indigent write-offs were promoted. Through the initiatives the data cleansing was improved. It has been a year where better understanding of each debtor was a turnaround achievement. We are now looking forward to swiftly implement credit controls to reduce the debt level.

Payments and financing

There has been a fundamental shift from the way activities were implemented in this section. Now timely reconciliations are possible. Better cash flow management is produced. The section has continued to maintain the supply chain good governance and stores management. The Municipality has also managed to maintain a positive cash flow as at year end.

Budget, Reporting and Compliance Monitoring

The Municipality has successfully implemented the budget reforms and submitted its budget in time as per the MFMA regulations. The section has maintained a good record in sending Section 71 Reports together with Mid-year assessment review report.



	Cash flow monitoring To have sufficient cash to meet obligations and surplus cash invested.	Reviewed bank statements	daily signing	Daily signing	daily signing	daily signing	
	Positive cash flow forecast To strive by all means possible to reflect positive cash flow forecast for the year	Cash flow forecast schedules	monthly forecast	Monthly forecast	monthly forecast	monthly forecast	
Good governance	External reporting To submit Statutory reporting to National and Provincial Treasuries and other State agencies before due dates	emailed reports to National Treasury database	monthly submission	Monthly submission	monthly submission	monthly submission	
	Departmental meetings To conduct monthly Departmental meetings	For the proper management and functioning of the Department, meetings must be held frequently	monthly agenda	Monthly agenda	monthly agenda	monthly agenda	
	Conditional Grants To reconcile conditional grants on its use and report on its status to relevant funder	The conditional grants must be ring-fenced and be spent for only the purpose for which they were granted for and reported thereon.	monthly reports	Monthly reports	monthly reports	monthly reports	
	Mid- Year Report (Sec. 72) To consolidate the Mid- Year Report for Submission to Treasuries	Section 72 of MFMA requires that the municipality report on the activities as per the Service Delivery Budget and Implementation plan in a mid financial year.	Annual submission	Annual submission	Annual submission	Annual submission	
	Resolve Audit Queries To resolve all queries to the satisfaction of AG within a reasonable time after audit	After Auditor General has raised issues, they must be responded on if not positively responded they must be resolved in time	Annual submission	Annual submission	Annual submission	Annual submission	
	Risk Management To review risk management plan annually	Risk management plan	Annual approval	Annual approval	Annual approval	Annual approval	



- The skills shortage is still a major challenge. Interventions are being made to mitigate the situation.
- Cash flow is still not at an acceptable level. Other revenue streams need to be investigated.
- Bad debt write-offs

PRIORITIES FOR 2010/2011

- To ensure that debt management is improved
- To adhere to the principles of clean audit by 2014
- To maintain credible and transparent supply chain management
- To finalise the asset management issues that will see the full implementation of GRAP
- Updating Indigent Register

BUDGET EXPENDITURE

The budget for the Department of Finance was:

	<u>Budget</u>	<u>Actual</u>
Revenue	53 076 440	52 065 424
Expenditure	17 6663 535	8 866 842

The variance can be attributed to items of income foregone and grants budgeted that were not realised.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES – SDBIP

NATIONAL KPA		BASIC SERVICE DELIVERY						Status - and
KPA	Strategic/ IDP Objective	KPI	Budget	2008/2009		2009/2010		Comments
				Target	Actual	Target	Actual	
Basic Service Delivery	To ensure externally and internally funded capital projects are planned and implemented successfully in order to provide every household with basic infrastructure for socio-economic development.	1)Register project 2) Design 3)Procure Contractor 4) Construct	R8,85m (Upgrade of Tugela Mouth Village Roads) Ward 3	1)Appoint Professional Service Provider 2) Design 3)Procure Contractor	1)Appointed Professional Service Provider 2)Designed Facility 3)Procured Contractor 4) Applied for Additional Funding to MIG	1) Obtain Additional Funding Approval from MIG 2)Appoint Contractor 3) Construct the roads	1) Obtained Additional Funding Approval from MIG 2) Appointed contractor 3) Constructed roads 4) Issued certificate of completion	
		1)Register project 2) Design 3)Procure Contractor 4) Construct	R7,256m (Hlomendlini Bus Route Phase 2) Ward 4	1)Appoint Professional Service Provider 2) Design 3)Procure Contractor	1)Appointed Professional Service Provider 2)Designed Facility 3)Procured Contractor 4) Applied for Additional Funding to MIG	1) Obtain Additional Funding Approval from MIG 2)Appoint Contractor 3) Construct the roads	1) Obtained Additional Funding Approval from MIG 2) Appointed contractor 3) Constructed roads 4) Issued certificate of completion	
		1)Register project 2) Design 3)Procure Contractor 4) Appoint Contractor	R8,0m (Upgrade of Sundumbili Township Roads Phase 4 & 5) Wards 7,13,14,15			1) Register Project 2)Design 3) Procure Contractor 4) Appoint Contractor	1) Registered Project 2)Designed Roads 3) Procure Contractor	Could not appoint the contractor as the budget was insufficient, therefore an Additional Funding Application was submitted to MIG for approval
		1)Register project 2) Design 3)Procure Contractor 4) Appoint Contractor	R7,493m (Masomonce Bus/Taxi Route)Wards 10 & 12			1) Register Project 2)Design 3) Procure Contractor 4) Appoint Contractor	1) Registered Project 2)Carried out necessary investigations and did preliminary Designs 3) Commenced with EIA Process	Could not procure and appoint the contractor as the DAEARD required a Basic Environmental Assessment which was initially not foreseen as the project supports a Rural Housing Development which was exempted from an EIA.
		1) Appoint Professional Service Provider 2) Obtain Environmental Authorisation 3)Design 3)Procure Contractor 4) Construct	R3,0m (Tugela Mouth Beach Facilities Ph2)	Appoint Professional Service Provider	1) Appointed the Professional Service Provider. 2)Commenced with the Environmental Authorisation Process	1) Conclude EIA process and submit Basic Assessment Report to DAEARD for approval 2) Obtain EIA approval	1) Completed EIA and submitted for approval to DAEARD	Did not receive Environmental Authorisation on time therefore the contractor could not be procured.

IMPROVEMENT PLANS / CORRECTIVE MEASURES

CHALLENGES FOR THE 2009/2010 FINANCIAL YEAR

- Lack of qualified technical capacity in the department due to inadequate funding
- Poor performance by some emerging contractors

PRIORITIES FOR THE YEAR 2010/2011

- Maintenance of Municipal Infrastructure
- Conclude Upgrading of Sundumbili Roads Phase 4 & 5 from gravel to blacktop
- Establishment of beach amenities at Tugela Mouth Beach Phase 2
- Commence with construction of Masomonce Bus Route
- Purchase new plant and equipment for rural roads maintenance
- Increase capacity within the Department
- Complete "quick win" projects under the NDPG Programme



LIBRARY SERVICES

Proposed library: The old Ndulinde tribal court was officially donated to the Municipality by Inkosi to be the community library; the letter was then forwarded to the Department of Arts and Culture for the purpose of securing funds for the upgrade.

Outreach programs: The librarians in partnership with the Youth Advisory Centre had successfully conducted outreach programmes; they offered career guidance to most of the high schools within the Municipal area.

SOCIAL SERVICES

Premier's flagship: War on Poverty, the Premier's flagship was officially launched and community cadres made of fieldworkers of various sector departments and NGO's managed to do door to door visits which is commonly referred as community profiling to more than 100 households of ward 02 (Ohwebede area) and the portion of ward 16 of which 25% of the households were provided with immediate interventions.

Below is the list of interventions:-

- Mr Mhlokozeni Magwaza's house was built through this programme ;
- Water tank, seeds and other crucial services (Home Affairs vital documents) were offered to Thabethe family (made of five orphans).
- Grant in aid was offered to five families including Mr Magwaza, the blind old man, who stayed alone in ward 2 and Child Support grants
- Assistive devices were offered to five individuals
- New water connections were done to needy families
- Food vouchers were given to nine families including Thabethe family

Outreach programmes: The Department of Home Affairs and other sector departments had two (2) successful "Operation MBO" outreach programmes of which all sector departments rendered their services to all wards of Mandeni Municipality.

Launch of Special Programs Council: The Special Programs Council and Men's Forum were finally launched on 30 April 2010. The attendance was overwhelmingly amazing which made a good pool from which to choose various representative members of each of five special groups.

Apart from the fact that the Premier's office was pushing for its existence, Council's launch was necessary in order to help the municipality reach the communities as a two-way process communication strategy for the municipality.



16 days of activism: As part of the planning for the 16 Days of Activism, most themes concentrated on advocacy on teenage pregnancy. There was also a Teenage Pregnancy Summit whereby Miss Hlengiwe Mhlaba, the musician featured as an ambassador to advocate on teenage pregnancy and abortion. The theme: *"Come what may, I won't have a child, come what may, even if I got a child it won't destroy my future!"* The other possible slogan was led by Miss Zanele Mbokazi of the Future Leaders as: *"Ukuba ngangazi!"*

National Children's Day in November 2009: In preparation for the new South African Children's Charter, municipal focal persons dealing with children were tasked to visit local schools to get their views about what they would want included in the new charter for children of the country. Mgandeni High School was visited in August 2009. A fairly good response was obtained. Most ideas included their educational, health and social needs. They also expressed attitudes against parental influence in their lives. For instance being forced to abide by religious and cultural practices not liked by children such as going to churches of parents some of which force them to marry very old men, getting tested for virginity, ukuthwala customs, etc.

On 30 September to 2 October 2009, a trip of children to the national conference in Boksburg was undertaken. One boy child went to represent iLembe from Mandeni and the other was to come from kwaDukuza. The conference was reportedly a huge success.

INTERNATIONAL DAY OF PEOPLE WITH DISABILITIES - 3 DECEMBER 2009

At least three delegates from Mandeni were sent to represent the Municipality at the International Day of People with Disabilities which was successfully held at KwaMsane Sports Complex. Mandeni delegates were: Ms Londiwe Mchunu (Ward 5), Ms Nompumelelo Madlala (Ward 16) and Mr. Moffat Msomi (Ward 2). A transport was organized by iLembe District with representatives from Maphumulo, Ndwedwe and KwaDukuza municipalities. The directive from the Premier was that more members of the community were to come from the neighbouring local municipalities of the Umkhanyakude and some from Uthungulu Districts with very few from distant district municipalities. At least a handful of members of the Legislature were in attendance. Two Members of the Executive Committee were present in the name of Hon. Dr Meshack Hadebe for Social Development and Hon. Dr. Sibongiseni Dhlomo for Health. It should be mentioned that the Parliament seating could not happen for some reasons but the delegates had been sent a day before to spend a night at the Elephant Lake Hotel in St Lucia. The people with disabilities told the MECs present that they need jobs in compliance with the 2% legislative requirement and above all a Summit for the People with Disabilities was urgent as they need to be recognized more than it is now. Dr Hadebe promised to relay the message to Premier Dr. Mkhize who could not make it to the function as had been planned. Delegates were given blankets each and a few others were given food parcels.



KwaMathonsi / Sundumbili housing project

Units completed for Phase 1 956

VIP toilets completed 342

KwaMathonsi rural housing project (Enembe)

Units completed : 788

Estimated date of completion is 30 December 2011

Isikhonyane housing project

Social survey concluded and sales administration also concluded, the proposed construction date is October 2010.

Nyoni housing project

The total residential and mixed-use residential units is 3 028. The DFA application was approved on 11 May 2010 subject to certain conditions being met by 30 June 2010. DPA and the professional team are dealing with these issues and have made good progress and have received a response from the Department of Water Affairs (DWA) on the Sundumbili Waste Water Treatment Works (WWTW).

The above issue is being considered by DAEARD and we are awaiting their response.

ENVIRONMENTAL CHALLENGES

The EIA process has been delayed due to the DWA not being convinced that the Sundumbili WWTW can accept and treat the sewage from the Inyoni Project. DPA has been following up regularly with Ilembe, DAEARD and DWA to see if they have reached agreement on the measures to be put in place at the WWTW and the funding thereof.

This has not been finalised and DPA has requested a meeting of all parties on 27 July 2010 at 14h00 at DWA's offices in Durban. Attached to this report is a synopsis of the events relating to this matter. It is anticipated that a RoD can be received once DWA approve that the sewage from the Inyoni Project can be accepted and treated by the Sundumbili WWTW.

MASOMONCE / MANDAFARM HOUSING PROJECT

The application pack has been submitted to the Department of Human Settlements and they are waiting for the Council resolution highlighting that these two projects are separated.

YOUTH AFFAIRS

Outreach programmes: The Municipality through its Youth Advisory Centre has successfully conducted outreach programmes targeting all twenty (20) high schools within the Municipal area of jurisdiction. Learners were taught about career guidance and others were assisted to register in institutions of higher learning.



BUDGET EXPENDITURE

The overall budget for Community Services Department for 2009/2010 was R4 248 011 and R3 729 933 was spent which translates to 12% under-expenditure. The challenges that caused under expenditure amongst others were slow collection of revenue.

IMPROVEMENT PLANS / CORRECTIVE MEASURES

CHALLENGES FOR THE 2009/2010 FINANCIAL YEAR

- Limited budget
- Shortage of staff

PRIORITIES FOR 2010/2011

- To increase the allocation of Special programmes, Sports and Recreation and Arts and Culture
- Prioritize and fill all nursing staff and other critical positions



Education

Five schools were trained in scholar patrol safety and one lollipop man appointed to assist children crossing with funding from the Department of Transport. Six schools were assisted with traffic safety for their annual fun runs.

Technical Section

In this section council approved the appointment of 54 Zibambele roads-painting contractors and planting of signage staff under all wards with tarred roads

- 8 test obstacles were made
- Almost 30 km of road and 45 parking bays were painted in Mandeni and Sundumbili respectively.
- 21 stop signs painted in Sundumbili and Mandeni
- 23 speed humps in Sundumbili, 4 pedestrian and 12 yield signs were painted.
- 3 yield, 2 no entry, three camera, and 4 speed signs were planted.

Drivers and Learners' Licence Centre

This was the most successful section as it achieved the following in terms of service delivery and income.

- 7931 local and outside community members were serviced by the centre. This was a reduction from previous year due to a learning curve due to changes in testing systems implemented by the Department of Transport such as computerized testing and computerized eye testing. The equipment installed is valued at over R1 million. Out of 7931, 3043 candidates passed, 3592 failed and 1296 were absent.
- R1,683 802,00 was raised by the centre compared to R1,979 110,00 in 2008/2009

Fire/Disaster Management

Officers attended to 157 housing structures that were burnt or washed down compared to 357 from the previous years. They also delivered food parcels to all 57 families affected as well as blankets and tents to those who required them.

A total of 13 grass fires were attended to by private contractors and paid for by council.

Security

A security service provider was appointed in the 2008/2009 year to safeguard council assets.



PERFORMANCE AGAINST STRATEGIC OBJECTIVES – SDBIP

NATIONAL KPA		SOCIAL INFRASTRUCTURE AND ECONOMIC DEVELOPMENT						Status and Comments
KPA	Strategic/ IDP Objective	KPI	Budget	2008/2009		2009/2010		
				Target	Actual	Target	Actual	
Basic Service Delivery	To establish a Drivers licence testing centre	Identifying the site and setting up/ or rental of offices	200000	Move test centre to new site opposite Technical Services in Mandeni	No progress due to lack of funding.	Rescind council resolution and identify land in CBD area for new test centre	Land identified opposite Sibusiswe hall.	It has been decided by management to move emergency and test centre service into CBD area as transport facilities will be closer for the community.
		Advertise, increase test numbers and hours, and appoint clerks for credit card and prdp functions whilst sourcing funding.		Engaged the DOT	The DOT has increased testing hours and testing spaces	Appoint at new site	One clerk appointed internally due to lack of funds and space.	3 officers have been placed at testing centre daily (from 2)
	To purchase road painting machine	all tarred roads painted or marked	R200 000	Appoint Zibambele staff to paint	54 contract Zibambele staff appointed	Train Zibambele staff	30 km of road ,21 stop streets,23 speed humps painted	Training of the staff and new appointees will need to have minimum grade 10(8) qualification
Good governance and public participation	To be transparent and democratic and compliant utilising forums	4 meetings per annum for each forum	R10 000	Established the forum	two meeting held	Increase to monthly meetings	Monthly meetings of BAC and three quarterly Saps meetings attended	The speaker's office will need ensure meetings are held



Forums

The Municipality has a variety of forums i.e. Local Economic Development, Religious, Agriculture and that Housing. The forums are being managed at the office of the Speaker and they meet on quarterly bases.

Traditional Authority Council Meeting

It has always been the interest of the Municipality that from time to time they have extended Council meetings in the tribal authority areas. In this financial year the Municipality managed to have extended Council meeting at eMacambini Tribal Court with the Council of Inkosi Mathaba, which was highly successful. All the members of the tribal court were present and applauded the opportunity to be able to interact with councillors. It is one way that the Municipality is trying to build good relations with tribal authority areas and making them informed of what the Municipality is doing.

IDP Public Meetings

The Municipality formulated a programme with ward numbers, dates, time and venues for public meetings in relation to IDP review. The programme included stakeholders such as business community and rate-payers. All the stakeholders were engaged on IDP review, budget and performance management system in terms of the KPAs and KPIs. At the end the IDP Representative Forum meeting resolutions were taken after participation by sector departments and parastatals, which were relevant to partake in the discussion of Mandeni IDP review. The majority of the meetings in the programmes were successful with full participation of the public.

2010 WORLD CUP – SUNDUMBILI PUBLIC VIEWING AREA

The Municipality ensured that people of Mandeni, from urban to the rural areas are afforded an opportunity to watch the World Cup. Buses were procured to collect people from their areas and also bus them back to their homes immediately after the screening of each and every match. The Municipality went to partner with the private sector by the name of Renckens Spar who contributed with the VIP tent, paying for local artists and beverages during the opening of the World Cup. Dynamic Fibre Moulding (DFM) also made their contribution to the course in making sure that people of Mandeni are also feeling that the World Cup was being hosted in their country.



4.6 PERFORMANCE BY SERVICE PROVIDERS

MANDENI FIRST NATIONAL BANK

The Municipality has been banking with Mandeni First National Bank and thus far there has not been bad service reported.

MANDENI WASTE SERVICES

Mandeni Waste Removal Services has been awarded a three year contract to collect and dispose of refuse from the Municipal area. The contract commenced in October 2009 and the contractor has been performing fairly well.

VUKA AFRICA

Vuka Africa is a team of professional service providers who are assisting the municipality with the Sundumbili-Mandeni Urban Regeneration Programme. Their performance has been good and the Municipality is very happy with their performance.

MUNTRA cc

MUNTRA was engaged in order to review the budgeting formats as per the reforms of the Municipal Finance Management Act and the working on Financial Statements together with assets records to be ready to be converted to GRAP implementation. Their performance is fair.

NGUBANE & COMPANY

Ngubane and company, as outsourced municipal internal auditors, have performed well because during this financial year they managed to conduct more financial and performance audit. They went on to audit municipal IT for the first time.

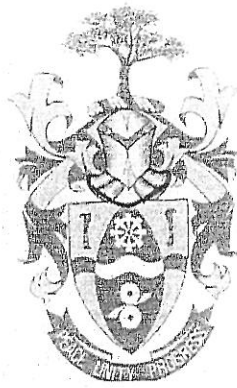
GRACAN

The Municipality has decided to change the service provider due to dissatisfactory service and revert to Telkom. GRACAN has been providing telephone service to the Municipality. The municipality had challenges with the service provider mainly with its telephone management system in terms of telephone print outs for individual users (Employees and Councillors).



CHAPTER 5

AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION



MANDENI MUNICIPALITY
AUDITED ANNUAL FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2010



MANDENI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

GENERAL INFORMATION

MEMBERS OF EXECUTIVE COUNCIL

Mayor and Chairman of the Executive Committee	: Cllr BL Magwaza
Deputy Mayor	: Cllr J Singh
Speaker (Ex-Officio)	: Cllr ZP Makhoba
Members of the Executive Committee	: Cllr DM Shandu
	: Cllr BP Mngadi
	: Cllr N Reddy
	: Cllr MS Mdunge

Other Councillors

Cllr GPS Busane	Cllr EL Dube	Cllr BA Khumalo
Cllr JE Luthuli	Cllr SV Manqele	Cllr NE Hlabisa
Cllr MJ Mathonsi	Cllr NJ Mbusi	Cllr SS Mdletshe
Cllr PM Myeza	Cllr S Ndlovu	Cllr GN Zungu
Cllr SJ Zibane	Cllr GC Mfekayi	Cllr SB Zulu
Cllr NF Ntuli	Cllr BT Nkabinde	Cllr JB Nzuza
Cllr SD Shange	Cllr LR Shembe	Cllr JJ Vilakazi
Cllr JM Zondi	Cllr TJ Zondo	
Cllr S Mbonambi	Cllr ZS Gumede	

Senior Management.

MB Ngubane – Municipal Manager
NR Hlongwa - Chief Financial Officer
NG Kumalo - Director: Corporate Services
R Sewdular – Director: Technical Services
S Khanyile – Acting Director: Economic Development and Planning



MANDENI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2010

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 51, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 26 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

DATE 31 August 2010



6. Paragraph 11 *et seq.* of GRAP 1: *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Mandeni Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mandeni Municipality as at 30 June 2010 and its financial performance and its cash flows for the year then ended in accordance with SA Standards of GRAP and in the manner required by the MFMA and DoRA.

Emphasis of matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

10. As disclosed in note 40 to the financial statements, the municipality is the defendant in a breach of contract lawsuit. The municipality is opposing the claim, as it believes the claim to be excessive. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

11. As disclosed in note 38.1 to the financial statements, the corresponding figures for the year ended 30 June 2009 have been restated as a result of the change in the accounting framework to SA Standards of GRAP and errors discovered during the audit for the year ended 30 June 2010.

Fruitless and wasteful / irregular expenditure

12. As disclosed in note 36.2 to the financial statements, fruitless and wasteful expenditure amounting to R162 804 was incurred, as a result of interest and penalties resulting from late VAT payments made to South African Revenue Services.
13. As disclosed in note 39.3 to the financial statements, irregular expenditure amounting to R40,064 million was incurred, as a result of contracts awarded to suppliers which contravened the Municipal Supply Chain Management Regulations (GRN 868 of 30 May 2005) (Municipal SCM Regulations). Included in this disclosure, are tenders exceeding R10 million that was advertised in the local newspapers and on the municipality's website for a period of less than 30 days.

Additional matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

15. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

